

## Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 IO-13 ISO-00 FEA-01 ACDA-10 CIAE-00

INR-07 L-03 NSAE-00 NSC-05 EB-08 NRC-07 OES-06

DODE-00 ERDA-07 PA-02 USIA-15 PRS-01 SP-02 SS-15

ARAE-00 PM-04 /129 W

-----262144Z 056370 /62

P R 262040Z JAN 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 9818

INFO AMEMBASSY BONN

AMEMBASSY BUENOS AIRES

USMISSION IAEA VIENNA

USMISSION EC BRUSSELS

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 0739

E.O. 11652: N/A

TAGS: TECH ENRG PARM BR

SUBJECT: BRAZILIAN REACTION TO JOSEPH NYE INTERVIEW

REF: (A) BRASILIA 607; (B) BRASILIA 693; (C) BRASILIA 652

1. SUMMARY. UNIDENTIFIED BRAZILIAN SOURCES QUOTED IN AN O ESTADO ARTICLE COMMENTED THAT: (A) THE REACTOR FUEL GUARANTEES PROPOSED BY JOSEPH NYE IN HIS O ESTADO INTERVIEW WOULD MEAN CONTINUED DEPENDENCE FOR BRAZIL; (B) IF THE NYE INTERVIEW WAS AIMED AT FLOATING A TRIAL BALLON, IT HAD THE EFFECT OF MAKING BRAZIL'S POSITION MORE AND MORE RIGID; AND (C) THE VICE PRESIDENT'S TRIP POSSIBLY SIGNIFIES A WEAKENING OF THE US-BRAZIL MEMORANDUM OF UNDERSTANDING (COMMENT: PRESUMABLY BECAUSE BRAZIL WAS NOT CONSULTED IN ADVANCE). END SUMMARY.

2. O ESTADO DO SAO PAULO (JAN. 25) CARRIED

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COMMENTS FROM UNIDENTIFIED BRAZILIAN SOURCES REGARDING THE JOSEPH NYE INTERVIEW (REF A). AN UNIDENTIFIED "SPECIALIST FROM THE ENERGY SECTOR IN RIO DE JANEIRO" (COMMENT: PROBABLY FROM NUCLEBRAS) REPORTEDLY SAID THE PROPOSAL PRESENTED BY NYE "OFFERS NO REAL GUARANTEE OF SUPPLY FOR NUCLEAR FUEL, BECAUSE, IF BRAZIL WERE TO ACCEPT THE

PROPOSAL, IT WOULD BE EQUIVALENT TO ACCEPTING ALSO THE ETERNAL DEPENDENCE OF BRAZIL REGARDING ISSUES OF ATOMIC POLICY." ACCORDING TO THE SPECIALIST, BRAZIL, INSPIRED BY THE PROBLEMS THAT HAVE OCCURRED WITH PETROLEUM, OPTED FOR THE FULL FUEL CYCLE PROGRAM "IN ORDER TO GUARANTEE ITSELF AGAINST ANY REPRESSIVE MEASURE," SUCH AS AN INTERNATIONAL BOYCOTT. "HOW THEN (CAN BRAZIL) ACCEPT THE PROPOSAL IF THE UNITED STATES GOVERNMENT TODAY APPLIES SERIOUS RESTRICTIONS TO THE FURNISHING OF ENRICHED URANIUM TO COUNTRIES THAT POSSESS NUCLEAR REACTORS?"

3. THE SPECIALIST, ACCORDING TO O ESTADO, OBSERVED THAT THE TECHNICAL CONDITIONS OF NEGOTIATIONS WITH THE US ON THE SUPPLY OF ENRICHED URANIUM ARE CONSIDERED EXTREMELY RIGOROUS. THE CONDITIONS WERE ONE OF THE REASONS WHY BRAZIL TRIED TO ACQUIRE FUEL FOR ANGRA 2 AND 3 FROM URENCO. TO OFFER AN IDEA OF THESE CONDITIONS, THE SPECIALIST REPORTEDLY ASSERTED THAT THE US COMPANY WHICH FURNISHES ENRICHED URANIUM (COMMENT: WE PRESUME THE REFERENCE IS TO ERDA) DEMANDS: (A)" THAT THE ORDER BE PLACED AT LEAST 8 YEARS IN ADVANCE WITH THE DELIVERY COMING ONLY AFTER 10 YEARS;" (B) "THAT PAYMENT IS MADE WITH A 50 PERCENT DOWNPAYMENT, WITH NO GUARANTEE OF THE FINAL PRICE;" AND, (C)" THE COMPANY DOES NOT EVEN GUARANTEE THE DELIVERY OF

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THE PRODUCT, WHICH DEPENDS ON THE NECESSITIES OF THE (U.S.) DOMESTIC MARKET OR ON WASHINGTON'S STRATEGIC AND POLITICAL REASONS."

4. ACCORDING TO O ESTADO, THE FOREIGN MINISTRY MAINTAINED SILENCE AS A "TACTIC," AND NOTED THAT THE FOREIGN MINISTER RECENTLY HAD SET FORTH BRAZIL'S POSITION: "WE WILL NO PERMIT OUR DESTINY TO BE FRUSTRATED OR DISPARAGED BECAUSE OF MISUNDERSTANDINGS OR FOREIGN INFLUENCE" (REF B). IF NYE'S OBJECTIVE WAS TO FLOAT A TRIAL BALLOON, O ESTADO SAID, THEN HE SHOULD READ THE FOLLOWING COMMENT BY A BRAZILIAN DIPLOMAT: "IF THERE EXISTS ON THE PART OF THE UNITED STATES A SINCERE DESIRE TO SEE BRAZIL MODIFY ITS POSITION THE CARTER GOVERNMENT IS DOING EXACTLY WHAT IT OUGHT NOT TO DO, FOR, BY MAKING PRESSURES PUBLIC, (THE US) IS MAKING THE BRAZILIAN POSITION MORE AND MORE RIGID."

FORMALLY ACCORDING TO O ESTADO, THE FOREIGN  
MINISTRY DENIES KNOWLEDGE OF NYE'S PROPOSAL  
AND IT AWAITS ANY OFFICIAL COMMUNICATION  
AWARE THAT THE US EMBASSY ITSELF  
HAS NOT RECEIVED ANY INFORMATION OR  
INSTRUCTIONS ABOUT THE SUBJECT. MEANWHILE, THE  
STORY SAID, THERE ARE SIGNS THAT BRAZILIAN  
EMBASSIES IN WASHINGTON, BONN, THE HAGUE, AND LONDON  
ARE ON "RED ALERT" FOR INFORMATION ABOUT THE REAL  
INTENTIONS OF THE CARTER GOVERNMENT.

5. ACCORDING TO THE STORY, ANOTHER SUBJECT WHICH  
CONCERNS BRAZILIAN DIPLOMACY IS THE POSSIBILITY  
THAT THE VICE-PRESIDENT'S TRIP TO EUROPE AND  
JAPAN SIGNIFIES "THE WEAKENING" OF THE US-BRAZIL  
MEMORANDUM OF UNDERSTANDING (REF C). THE US EMBASSY'S  
SPOKESMAN, ACCORDING TO O ESTADO, WAS QUICK TO  
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SAY THAT THERE IS NO CONNECTION BETWEEN THE DOCU-  
MENT AND THE TRIP, AND THAT "EVEN IF THE  
BRAZILIAN-GERMAN NUCLEAR AGREEMENT IS A THEME OF  
THE CONVERSATIONS, THERE IS NO PROVISION IN THE  
MEMORANDUM THAT REQUIRES THAT BRAZIL BE INFORMED  
BEFOREHAND." A "DIPLOMATIC SOURCE" (READ: A  
FOREIGN MINISTRY SOURCE) SAID, HOWEVER,  
THAT THERE WERE AT RISK PROBLEMS ABOUT WHICH THE  
BRAZILIAN GOVERNMENT IS "EXTREMELY SENSITIVE." IN  
THE BEST DIPLOMATIC STYLE, ACCORDING TO O ESTADO,  
THE SOURCE SAID: "WE DO NOT WANT TO EXAGGERATE AND  
INSTILL IN THE COUNTRY A CLIMATE OF PARANOIA  
IN RELATION TO THE UNITED STATES."

6. SEPTTEL DEALS WITH BRAZILIAN REACTIONS AND  
PRESS VERSIONS OF THE DISCUSSIONS THE VICE-  
PRESIDENT HELD IN BONN ON THE BRAZILIAN-GERMAN  
NUCLEAR AGREEMENT.  
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## Message Attributes

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